

FISCAL NOTE

SB 208 - HB 307

April 4, 2007

SUMMARY OF BILL: Authorizes the Department of Agriculture to establish the Animal Population Control Act of 2007. Requires a \$3.00 surcharge on each rabies vaccination administered to every dog and cat in Tennessee for the Spay/Neuter and Vaccination Fund to subsidize spay/neuter and rabies vaccination procedures for qualifying participants. Allows tax credits, not exceeding total tax liability, to registered veterinarians who participate in the program. Establishes a performance review committee.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$411,200 One-Time

\$110,700 FY07-08

\$406,500 FY08-09 & Succeeding years

Decrease State Revenues – \$300,000 Recurring

Other Fiscal Impact – Beginning July 1, 2007, a three-dollar fee will be charged for each rabies vaccination dedicated to the "Spay/Neuter and Vaccination Fund." These fees are estimated to generate revenue of \$2,700,000 for the Fund each fiscal year. Funds will not be available for expenditure until July 1, 2008. Funds of \$129,600 will be allocated from this fund each year to partially defray the Department of Agriculture's costs in administering this program. Funds of \$1,922,400 will be available each year from the Fund for operating costs of the Fund.

Assumptions:

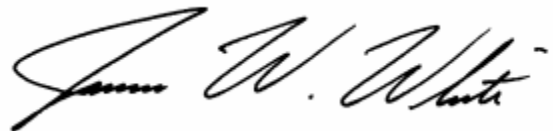
- A recurring increase in state expenditures for the salary, benefits, travel, and operational expenses of one Administrative Services Assistant, one Clerk, and three Agriculture Enforcement Officers to enforce criminal remedies.
- A one-time increase in state expenditures to purchase equipment, furniture, vehicles, radios, and supplies is estimated to be \$140,000.
- A contract with the Board of Veterinarian Examiners would be developed in an amount of \$10,000 in order for inspectors to review the records of the veterinarians participating in the program.

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- Legal fees based on the Department of Agriculture contracting with local attorneys to pursue the collections of delinquent penalties assessed which would increase state expenditures by \$165,000.
- Failure to register or license a dog would be a Class C misdemeanor and fines collected are estimated not to have a significant impact.
- Amount of \$250,000 will be appropriated for the Spay/Neuter Fund for FY07-08.
- The Department of Agriculture estimates that 900,000 dogs and cats will be vaccinated for rabies at \$3.00 per vaccination.
- Veterinarians remitted over \$600,000 in professional privilege taxes in FY06. Assuming 50% of veterinarians perform the required 40 sprays/neuters/rabies vaccinations in a year to completely remove their professional privilege tax liability, state revenues would be reduced by \$300,000 ($\$600,000 \times 0.50$).
- A one-time increase to expenditures for computer and software enhancements is estimated to be \$20,000 for the Department of Revenue.
- Requires the Department of Agriculture to establish a standardized statewide yearly reporting system to measure the performance of the animal control spay/neuter and vaccination program. This performance committee will be composed of 9 members who will only receive travel reimbursements. Travel expenses for nine non-legislative members of \$828 ($200 \text{ miles} \times \$0.46 = 92 \times 9 = \$828$).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director